

ABSTRACT

In its implementation, the APBD often experiences problems. The Regional Budget must be able to be relied upon in making decisions that are in line with the objectives of the regional government for the welfare of the community. The right system or order and results that are in accordance with the conditions and good communication are needed in the preparation of a regional budget. If the budgeting system in the APBD is inappropriate, it can lead to a budget gap. Public budgets can be interpreted as package statements concerning estimates of revenues and expenditures that are expected to occur in one or expenses that have occurred in the past.

This study uses two types of variables, namely the independent variable and the dependent variable. Information Asymmetry and Budget Participation as independent variables while the independent variable of this study is the Budget Level. This study aims to determine the effect of information asymmetry and budget participation on the budget gap in the Bandung City Regional Performance Unit (SKPD) in 2019.

The research method used in this study used multiple regression techniques using the time of the study in 2019. The total population in this study was 43 consisting of the Head of Planning Sub-Department at each SKPD in Bandung City. The result of this study was helped by using IBM SPSS 25. The results of this study indicate that information asymmetry and member participation together influence the budget gap. Partially, information asymmetry has a positive effect on the budget gap. Budget participation also has a positive influence on the budget gap in the SKPD of Bandung City.

Regarding the budgetary problem for the Bandung City Regional Performance Unit (SKPD) in 2019 it should be able to reduce the budget gap by closely monitoring the proposed budget and reducing the level of information asymmetry between top management and lower level management.

From the aspect of budget participation, it is better for the SKPD of the City of Bandung to create participation that is not really apparent participation, so the concept of participation in budgeting must be monitored well by superiors to minimize the tendency for gaps in the Bandung Government SKPD budget to be controlled.

Key words: Information Asymmetry, Budget Participation and Budgetary Slack.